GOVERNMENT OF INDIA
DEFENCE
LOK SABHA

UNSTARRED QUESTION NO:2407
ANSWERED ON:07.12.2006
CONSTITUTION OF DEFENCE ACQUISITION COUNCIL
Mishra Dr. Rajesh Kumar;Panda Shri Prabodh

Will the Minister of DEFENCE be pleased to state:

(a) whether the Government has constituted the Defence Acquisition Council ;

(b) if so, the composition and objectives thereof; and

(c) the details of rights given to the Defence Acquisition Council ?

Answer

MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI A.K. ANTONY)

(a) to (c): A statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA UNSTARRED QUESTION NO. 2407 FOR ANSWER ON 7.12.2006

Consequent upon the Group of Ministers recommendations on 'Reforming the National Security System', Ministry of Defence vide its order dated 11th October, 2001 had set up broad structures and systems to deal with acquisitions on the Capital account. An overarching structure, the Defence Acquisition Council (DAC) under the Raksha Mantri was constituted for overall guidance of the defence procurement planning process. The composition of the DAC is as follows:-

(a)Raksha Mantri Chairman

(b)Raksha Rajya Mantri Member(c)Chief of Army Staff Member

(d)Chief of Naval Staff Member

(e)Chief of Air Staff Member

(f) Defence Secretary Member

(g) Secretary Defence Research & Development Member

(h) Secretary Defence Production Member

(i) Chief of Integrated Staff Committees HQ IDS.Member

(j)Director General (Acquisition)Member

(k)Dy. Chief of Integrated Defence Staff Member Secretary The objective of the Defence Acquisition Council is to ensure expeditious procurement of the approved requirements of the Armed Forces in terms of capabilities sought and time frame prescribed by optimally utilizing the allocated budgetary resources.

The functions of the DAC include
(i) in principle approval of 15 Years Long Term Integrated Perspective Plan (LTIPP) for Defence Forces;
(ii) accord of Acceptance of Necessity to acquisition proposals;
(iii) categorization of the acquisition proposals relating to 'Buy', 'Buy & Make' and 'Make';
(iv) issues relating to Single Vendor Clearance;
(v) decision regarding 'Offset' provisions in respect of acquisition proposals above Rs.300 Crores;
(vi) decisions regarding Transfer of Technology under 'Buy & Make' category of acquisition proposals; and
(vii) Field Trial evaluation.